

Senate File 522

S-3260

1 Amend Senate File 522 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. NEW SECTION. 331.422A Property tax
4 dollars — maximums.

5 1. a. The maximum amount in property tax dollars
6 which may be certified by a county for taxes shall not
7 exceed the amount of property tax dollars determined
8 under subsection 3.

9 b. This section shall not be construed as removing
10 or otherwise affecting the property tax limitations
11 otherwise provided by law for any tax levy of the
12 county, except that, upon an appeal from the county,
13 the state appeal board may approve a tax levy
14 consistent with the provisions of section 24.48 or
15 331.426.

16 2. For purposes of this section:

17 a. "Boundary adjustment" means annexation,
18 severance, incorporation, or discontinuance as those
19 terms are defined in section 368.1.

20 b. "Budget year" is the fiscal year beginning
21 during the calendar year in which a budget is
22 certified.

23 c. "Current fiscal year" is the fiscal year
24 ending during the calendar year in which a budget is
25 certified.

26 d. "Inflation rate" means the average of the
27 preceding twelve-month percentage change, which shall
28 be computed on a monthly basis, in the consumer price
29 index for all urban consumers, not seasonally adjusted,
30 published by the United States department of labor,
31 bureau of labor statistics, calculated for the calendar
32 year ending six months after the beginning of the
33 current fiscal year.

34 e. "Net new valuation taxes" means the amount
35 of property tax dollars equal to the sum of all the
36 current fiscal year's levy rates certified by the
37 county multiplied by the increase from the current
38 fiscal year to the budget year in taxable valuation due
39 to the following:

40 (1) New construction.

41 (2) Additions or improvements to existing
42 structures.

43 (3) Remodeling of existing structures for which a
44 building permit is required.

45 (4) Net boundary adjustment.

46 (5) A municipality no longer dividing tax revenues
47 in an urban renewal area as provided in section
48 403.19, to the extent that the incremental valuation
49 released is due to new construction or revaluation of
50 property newly constructed, additions or improvements

1 to existing property, net boundary adjustment, or
2 expiration of tax abatements or exemptions, all
3 occurring after the division of revenue begins.

4 (6) That portion of taxable property located in an
5 urban revitalization area on which an exemption was
6 allowed and such exemption has expired.

7 3. For the budget year beginning July 1, 2012, and
8 subsequent budget years, the maximum amount of property
9 tax dollars which may be certified for levy by a county
10 shall be an amount equal to the sum of the following:

11 a. The current fiscal year's total property tax
12 dollars certified by the county.

13 b. The amount of net new valuation taxes in the
14 county.

15 c. Any additional amount of property tax dollars
16 certified by the board under subsection 5.

17 4. Property taxes certified for deposit in the debt
18 service fund in section 331.430 or any other property
19 taxes resulting from a property tax levy approved at
20 election are not included in the maximum amount of
21 property tax dollars that may be certified for a budget
22 year under subsection 3.

23 5. The board may certify and levy an additional
24 amount of property tax dollars to finance existing
25 programs which would provide substantial benefit to the
26 county in an amount not to exceed the current fiscal
27 year's total property tax dollars multiplied by the
28 inflation rate.

29 6. The department of management, in consultation
30 with the county finance committee, shall adopt rules
31 to administer this section.

32 Sec. ____ . **NEW SECTION. 331.422B Authority to levy**
33 **beyond maximum property tax dollars.**

34 1. The board may certify additions to the maximum
35 amount of property tax dollars under section 331.422A
36 to be levied for a period of time not to exceed three
37 years unless, at any time before the date fixed for
38 certifying the budget, a petition signed by eligible
39 electors residing within the county in a number equal
40 to at least two percent of the registered voters of the
41 county, ask that the question of certifying additions
42 to the maximum amount of property tax dollars be
43 submitted to the registered voters. Upon receipt of
44 such a petition, the board of supervisors shall direct
45 the county commissioner of elections to call a special
46 election upon the question of certifying additions to
47 the maximum amount of property tax dollars.

48 2. The proposition of certifying additions to
49 the maximum amount of property tax dollars under this
50 subsection is approved if the vote in favor of the

1 proposition is a simple majority of the total votes
2 cast on the proposition.

3 3. The special election is subject to the
4 following:

5 a. The board must give at least thirty-two days'
6 notice to the county commissioner of elections that the
7 special election is to be held.

8 b. The special election shall be held on the
9 first Tuesday in March and be conducted by the county
10 commissioner of elections in accordance with law.

11 c. The proposition to be submitted shall be
12 substantially in the following form:

13 Vote "yes" or "no" on the following: Shall the
14 county of _____ levy for an additional \$ _____ each
15 year for ___ years beginning July 1, _____, in excess
16 of the statutory maximum amount of property tax dollar
17 limits otherwise applicable under Iowa Code section
18 331.422A?

19 d. The canvass shall be held beginning at 1:00 p.m.
20 on the second day which is not a holiday following the
21 special election.

22 e. Notice of the special election shall be
23 published at least once in a newspaper as specified
24 in section 331.305 prior to the date of the special
25 election. The notice shall appear as early as
26 practicable after the board has directed the county
27 commissioner of elections to submit the proposition to
28 the voters.

29 4. The amount of additional property tax dollars
30 certified under this section shall not be included in
31 the computation of the maximum amount of property tax
32 dollars which may be certified and levied under section
33 331.422A.>

34 2. Page 1, after line 8 by inserting:

35 <Sec. _____. NEW SECTION. 384.1A Property tax
36 dollars — maximums.

37 1. a. The maximum amount in property tax dollars
38 which may be certified by a city for taxes shall not
39 exceed the amount of property tax dollars determined
40 under subsection 3.

41 b. This section shall not be construed as removing
42 or otherwise affecting the property tax limitations
43 otherwise provided by law for any tax levy of the city,
44 except that, upon an appeal from the city, the state
45 appeal board may approve a tax levy consistent with the
46 provisions of section 24.48.

47 2. For purposes of this section:

48 a. "Boundary adjustment" means annexation,
49 severance, incorporation, or discontinuance as those
50 terms are defined in section 368.1.

1 *b. "Budget year"* is the fiscal year beginning
2 during the calendar year in which a budget is
3 certified.

4 *c. "Current fiscal year"* is the fiscal year
5 ending during the calendar year in which a budget is
6 certified.

7 *d. "Inflation rate"* means the average of the
8 preceding twelve-month percentage change, which shall
9 be computed on a monthly basis, in the consumer price
10 index for all urban consumers, not seasonally adjusted,
11 published by the United States department of labor,
12 bureau of labor statistics, calculated for the calendar
13 year ending six months after the beginning of the
14 current fiscal year.

15 *e. "Net new valuation taxes"* means the amount
16 of property tax dollars equal to the sum of all the
17 current fiscal year's levy rates certified by the city
18 multiplied by the increase from the current fiscal year
19 to the budget year in taxable valuation due to the
20 following:

21 (1) New construction.
22 (2) Additions or improvements to existing
23 structures.
24 (3) Remodeling of existing structures for which a
25 building permit is required.
26 (4) Net boundary adjustment.
27 (5) A municipality no longer dividing tax revenues
28 in an urban renewal area as provided in section
29 403.19, to the extent that the incremental valuation
30 released is due to new construction or revaluation of
31 property newly constructed, additions or improvements
32 to existing property, net boundary adjustment, or
33 expiration of tax abatements or exemptions, all
34 occurring after the division of revenue begins.
35 (6) That portion of taxable property located in an
36 urban revitalization area on which an exemption was
37 allowed and such exemption has expired.

38 3. For the budget year beginning July 1, 2012, and
39 subsequent budget years, the maximum amount of property
40 tax dollars which may be certified for levy by a city
41 shall be an amount equal to the sum of the following:

42 *a.* The current fiscal year's total property tax
43 dollars certified by the city.
44 *b.* The amount of net new valuation taxes in the
45 city.
46 *c.* Any additional amount of property tax dollars
47 certified by the city under subsection 5.

48 4. Property taxes certified for deposit in the debt
49 service fund in section 384.4 or any other property
50 taxes resulting from a property tax levy approved at

1 election are not included in the maximum amount of
2 property tax dollars that may be certified for a budget
3 year under subsection 3.

4 5. The city may certify an additional amount of
5 property tax dollars to be levied to finance existing
6 programs which would provide substantial benefit to
7 the city in an amount not to exceed the current fiscal
8 year's property tax dollars multiplied by the inflation
9 rate.

10 6. The department of management, in consultation
11 with the city finance committee, shall adopt rules to
12 administer this section.

13 Sec. ____ . NEW SECTION. **384.1B Authority to levy**
14 **beyond maximum property tax dollars.**

15 1. The city council may certify additions to the
16 maximum amount of property tax dollars under section
17 384.1A to be levied for a period of time not to exceed
18 three years unless, at any time before the date
19 fixed for certifying the budget, a petition signed
20 by eligible electors residing within the city in a
21 number equal to at least two percent of the registered
22 voters of the city, ask that the question of certifying
23 additions to the maximum amount of property tax dollars
24 be submitted to the registered voters. Upon receipt
25 of such a petition, the city council shall direct the
26 county commissioner of elections to call a special
27 election upon the question of certifying additions to
28 the maximum amount of property tax dollars.

29 2. The proposition of certifying additions to
30 the maximum amount of property tax dollars under this
31 subsection is approved if the vote in favor of the
32 proposition is a simple majority of the total votes
33 cast on the proposition.

34 3. The special election is subject to the
35 following:

36 a. The city council must give at least thirty-two
37 days' notice to the county commissioner of elections
38 that the special election is to be held.

39 b. The special election shall be held on the
40 first Tuesday in March and be conducted by the county
41 commissioner of elections in accordance with law.

42 c. The proposition to be submitted shall be
43 substantially in the following form:

44 Vote "yes" or "no" on the following: Shall the city
45 of _____ levy for an additional \$ _____ each year
46 for ____ years beginning July 1, _____, in excess of the
47 statutory maximum amount of property tax dollar limits
48 otherwise applicable under Iowa Code section 384.1A?

49 d. The canvass shall be held beginning at 1:00 p.m.
50 on the second day which is not a holiday following the

1 special election.

2 e. Notice of the special election shall be
3 published at least once in a newspaper as specified
4 in section 362.3 prior to the date of the special
5 election. The notice shall appear as early as
6 practicable after the city council has directed
7 the county commissioner of elections to submit the
8 proposition to the voters.

9 4. The amount of additional property tax dollars
10 certified under this section shall not be included in
11 the computation of the maximum amount of property tax
12 dollars which may be certified and levied under section
13 384.1A.>

14 3. Page 1, by striking lines 12 through 28 and
15 inserting:

16 <1. "Department" means the department of revenue.

17 2. "Fund" means the business property tax credit
18 fund created in section 426C.2.

19 3. "Parcel" means as defined in section 445.1.

20 4. "Property taxes due and payable" means property
21 taxes including any special assessments, but exclusive
22 of delinquent property taxes, interest, and charges for
23 services, due on a parcel in this state.>

24 4. By striking page 1, line 33, through page 2,
25 line 16, and inserting <fiscal year beginning July 1,
26 2012, and for each fiscal year thereafter, there is
27 appropriated from the general fund of the state to
28 the department to be credited to the fund, an amount
29 sufficient to provide fifty percent of the total amount
30 of the business property tax credits authorized in this
31 chapter.>

32 5. By striking page 2, line 23, through page 5,
33 line 34, and inserting:

34 <Sec. ____ . NEW SECTION. **426C.3 Eligibility for**
35 **credit.**

36 1. Each parcel classified and taxed as commercial
37 property, industrial property, or railway property
38 under chapter 434, and improved with permanent
39 construction, is eligible for a credit under this
40 chapter.

41 2. The county auditor shall in each year certify
42 to the department on or before June 30 the parcels
43 located in the county that are eligible for the credit
44 and the amount of property taxes due and payable on
45 such parcels in the fiscal year for which the credit
46 is applicable that are attributable to permanent
47 improvements to the parcel.

48 Sec. ____ . NEW SECTION. **426C.4 Amount of credit.**

49 The amount of the credit for each eligible parcel
50 certified by the county auditor under section 426C.3,

1 subsection 2, shall be determined as follows:

2 1. For property taxes due and payable in the fiscal
3 year beginning July 1, 2012, the amount of the credit
4 shall be an amount equal to six percent of the total
5 amount of property taxes due and payable on the parcel
6 as certified to the department under section 426C.3,
7 subsection 2.

8 2. For property taxes due and payable in the fiscal
9 year beginning July 1, 2013, the amount of the credit
10 shall be an amount equal to twelve percent of the total
11 amount of property taxes due and payable on the parcel
12 as certified to the department under section 426C.3,
13 subsection 2.

14 3. For property taxes due and payable in the
15 fiscal year beginning July 1, 2014, the amount of the
16 credit shall be an amount equal to eighteen percent
17 of the total amount of property taxes due and payable
18 as certified to the department under section 426C.3,
19 subsection 2.

20 4. For property taxes due and payable in the
21 fiscal year beginning July 1, 2015, and each fiscal
22 year thereafter, the amount of the credit shall be
23 an amount equal to twenty-four percent of the total
24 amount of property taxes due and payable on the parcel
25 as certified to the department under section 426C.3,
26 subsection 2.>

27 6. Page 6, line 3, by striking <allowed> and
28 inserting <authorized>

29 7. Page 6, line 5, by striking <or property unit>

30 8. Page 6, by striking line 8 and inserting
31 <authorized and funded by the state on each eligible
32 parcel in such taxing>

33 9. Page 6, line 10, by striking <or property unit>

34 10. Page 6, line 11, by striking <or property unit>

35 11. Page 6, line 12, by striking <in such taxing
36 district> and inserting <upon the parcel>

37 12. Page 6, line 17, after <fund.> by inserting
38 <Those portions of the credit not funded by the state
39 shall be allocated to the several taxing districts
40 in the proportion that the levy made by such taxing
41 district upon the parcel bears to the total levy upon
42 the parcel by all taxing districts imposing a property
43 tax on the parcel.>

44 13. By striking page 6, line 27, through page 7,
45 line 9, and inserting:

46 <1. Any person whose property is eligible but is
47 denied a credit under the provisions of this chapter
48 may appeal such denial to the district court of the
49 county in which the parcel is located by giving written
50 notice of such appeal to the county auditor.

1 2. If a denial of credit is subsequently reversed
2 on appeal, the credit shall be authorized on the
3 applicable parcel and the director of revenue, the
4 county>
5 14. Page 7, line 21, by striking <allowable> and
6 inserting <authorized>
7 15. Page 7, line 25, by striking <filed> and
8 inserting <authorized>
9 16. Page 7, line 31, by striking <or property unit>
10 17. Page 7, line 31, by striking <allowed> and
11 inserting <authorized>
12 18. Page 7, line 32, by striking <or property unit>
13 19. Page 7, line 33, by striking <allowed> and
14 inserting <authorized>
15 20. Page 8, by striking lines 9 through 17.
16 21. Page 8, by striking lines 22 through 26.
17 22. Page 8, after line 26 by inserting:
18 <Sec. _____. IMPLEMENTATION OF ACT. The provisions
19 in section 25B.7, relating to the obligation of the
20 state to reimburse local jurisdictions for property tax
21 credits and exemptions, do not apply to this Act to the
22 extent of fifty percent of the amount of the credits
23 authorized under chapter 426C.>
24 23. Page 8, line 29, after <2012> by inserting <,
25 and to budget years beginning on or after July 1, 2012>
26 24. Title page, line 1, after <Act> by inserting
27 <relating to property taxation by establishing a
28 property tax limitation for cities and counties, by>
29 25. Title page, lines 2 and 3, by striking
30 <providing penalties,>
31 26. By renumbering, redesignating, and correcting
32 internal references as necessary.

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